Sl. No.	Name of the Bank	Country
6.	Bank of Ceylon	Sri Lanka
7.	Commerz Bank A.G.	Germany
8.	Siam Commercial Bank PCL	Thailand
9.	Bank International Indonesia	Indonesia
10.	China Trust Commercial Bank	Taiwan
11.	Arab Bangladesh Bank Ltd.	Bangladesh
12.	Cho Hung Bank Ltd.	South Korea
13.	Fuzi Bank Ltd.	Japan
14.	Krung Thai Bank PCL	Thailand
15.	Overseas Chinese Banking Corporation Ltd.	Singapore

(b) None of the above banks has remitted profits in the last three years.

Claim of interest subsidy by Punjab & Sind Bank

324. SHRI PARAG CHALIHA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Punjab and Sind Bank was the highest claimant of interest subsidy allowed to the victims of 1984 riots;

(b) if so, whether Reserve Bank of India has conducted a study into cases wherein subsidy was allowed by Punjab and Sind Bank; if so, the details thereof and action taken thereon; and

(c) if no study was conducted by Reserve Bank of India, the reasons therefor taking into consideration that subsidy claimed by Punjab and Sind Bank was disproportionate to its size *vis-a-vis* other banks, particularly State Bank of India and Punjab National Bank having large number of branches in Northern India?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) Yes, Sir.

(b) and (c) Reserve Bank of India (RBI) has reported that while scrutinising the claim statements submitted by Punjab and Sind Bank, it was found that the claims made by the bank in respect of certain borrowers were on the high side. The Department of Supervision of RBI has, therefore, been entrusted with the task of conducting special scrutiny of these cases.

100 Billion Dollars stashed in Foreign Banks by Indians

325. SHRI RAM GOPAL YADAV:
SHRI ISH DUTT YADAV:

Will the Minister of FINANCE be pleased to state:

(a) whether some Indians stashed away at least 100 billion dollars in foreign banks in 1994-95 as reported in the Times of India dated 30.1.1997;

(b) if so, the facts thereof; and

(c) the steps taken to stop under-invoicing of India's imports from USA and over-invoicing of exports to USA?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) to (c) The Newspaper report dated 30.1.1997 referred to is based on an update of a study conducted by three US Economists of Florida International University which estimated capital outflows from India to USA during 1991 and 1995. Their estimates have been arrived at by comparing India's import and export prices from and to the United States to the average and adjusted average US-World import and export prices.

The study has, however, used only US generated data on imports from and exports to India and compared the same with either India's US import/export prices or with US-World import/export prices. Such a method is not free from pitfalls for the purpose of estimating capital flight, since pricing of commodities in international trade depends on a variety of factors and applying averages in such circumstances can lead to highly erroneous conclusions.

While the study has concluded that there was capital outflow due to under-invoicing of exports and over-invoicing of imports, the Customs authorities have also detected cases of under-invoicing of imports and over-invoicing of exports. The general belief is that imports are under-invoiced to evade high rates of import duty thereon and exports are over-invoiced in order to avail larger fiscal benefits under export incentive schemes.

The Government has computerised Customs operations in major Customs Houses. One of the objectives of the computerisation scheme is to create a data base to enable verification of declared values. The investigation and intelligence machinery has also been strengthened to tackle cases of mis-declaration of value.